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SIPDIS

C O R R E C T E D C O P Y (C H A N G E S M A D E I N P A R A 6)

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TAGS: PREL SADC SF ZI

SUBJECT: SADC SUMMIT CONCLUDES WITH NO ZIMBABWE RESOLUTION

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Classified By: Acting Deputy Chief of MIssion Donald Schenck. Reasons 1.4(b) and (d).

¶11. (C) Against a backdrop of high expectations, the Southern African Development Community (SADC) ended its 28th annual Heads of State and Government Summit in Sandton, South Africa on 17 August with barely a mention of the Zimbabwe crisis. Both the outgoing and incoming SADC Organ on Politics, Defence, and Security Co-operation met on the sidelines during and after the summit to try and reach a negotiated settlement, but in the end failed to make any additional headway. New developments included South Africa taking over as the Chair of SADC, the Democratic Republic of Congo voted in as next Chair in 2009, and Seychelles rejoining SADC after withdrawing five years ago. As promised eight years ago, 12 of 15 SADC countries signed on to a "Free Trade Area," with promises of a customs union by 2012 and a common currency by ¶2018. END SUMMARY.

OUT WITH OLD, IN WITH NEW

¶12. (C) The Southern African Development Community (SADC) held its 28th annual Heads of State and Government Summit in Sandton, South Africa on 17 August. SADC now encompasses 15 members states, after Seychelles officially rejoined SADC after a five-year hiatus. Seychelles President James Michel explained that Seychelles withdrew from SADC after "macroeconomic reforms forced us to reevaluate dues to international forums," making it sound as if they were cutting down on magazine subscriptions. South Africa has taken over as SADC Chair and it was announced that SADC members agreed that the Democratic Republic of Congo will take over as Chair from South Africa in 2009. The SADC Organ on Politics, Defence, and Security Co-operation (often referred to as SADC Troika) will consist of former Chair Angola, current chair Swaziland, and future chair Mozambique (which replaced Tanzania).

ZIMBABWE: THE INVISIBLE ELEPHANT IN THE ROOM

¶13. (C) During opening ceremonies on 16 August, SADC Heads of State walked into the room two-by-two, with President Mbeki and Robert Mugabe entering together. Robert Mugabe was introduced as President of Zimbabwe and sat on stage with other Heads of State, while MDC Leader Morgan Tsvangirai sat in the audience with observers. Arthur Mutumbara was also sitting in the observer section, but he and Tsvangirai never

publicly acknowledged each other. Mugabe often appeared bored and seemed to be sleeping for large parts of Sunday's events. True to his word, Botswanan President Ian Khama refused to attend the summit in protest of SADC's recognition of Mugabe as President. Numerous diplomats commented on how surreal the event was given the lack of discussion on Zimbabwe. A British diplomat noted the irony of invited guests and heads of state eating a lavish meal on Saturday evening and dancing away to Louis Armstrong's "What a Wonderful World," giving the impression that all was well in Zimbabwe.

¶4. (C) Zimbabwe was mentioned several times during the summit, but mostly in passing. The strongest public statement came from Zambia's Foreign Minister Pande, who read a statement on behalf of Zambian President Mwanawasa, calling Qa statement on behalf of Zambian President Mwanawasa, calling Mugabe's reelection in the June poll a "blot on the culture of democracy." Both Mbeki and SADC Chair of NGOs also mentioned that the democratic crisis in Zimbabwe must be resolved, but both lumped the Zimbabwe crisis with the electoral dispute in Lesotho, the constitutional dispute in Malawi, and the "problems" in the Democratic Republic of Congo. At the end of the summit, a somewhat self-congratulatory communique was issued noting that the "summit recognized that the region had managed to consolidate peace and democracy in SADC," and that "with regards to the ongoing challenges in Zimbabwe, the summit noted the outcomes of the Extraordinary Summit of the Organ held in the course of the Summit (emailed to AF/S), and reaffirmed its commitment to work with the people of Zimbabwe in order to overcome the challenges they are facing."

¶5. (C) After the summit, the SADC Troika gathered again to discuss Zimbabwe, according to President Mbeki. According to Sydney Masamvu (protect), Tsvangirai met with the Troika one last time late on Sunday night and rejected their proposal

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(NFI). Tsvangirai offered a counter-proposal in which he would become President under the current deal and Mugabe could become Prime Minister, but Mugabe refused, said Masamvu. After the Troika realized progress was not to be had, Mbeki spoke to the press, hailing the summit as "very successful" and noted that SADC appealed to all parties to sign any outstanding agreements and conclude negotiations urgently to restore political stability. He also said that it may be "necessary to reconvene Parliament to give effect to the will of the people expressed in the parliamentary elections held on March 29 2008" while negotiations continue. Journalists at the summit have heard that parliament may be convened as early as next week, and believe such a move would give Mugabe even more stature. (COMMENT: Section 9 of the Memorandum of Understanding, which laid the groundrules for the current round of talks, specifically states that parties shall not take any decisions that have a bearing on the agenda of the negotiations, including convening Parliament, without all parties' concensus. END COMMENT) Mbeki also said that the SADC Troika will continue to meet with the leaders of Zimbabwe to find a speedy solution, that he will remain facilitator, and that SADC is still wary of outsiders imposing any solutions on Zimbabwe.

TSVANGIRAI DISSATISFIED WITH OFFER

¶6. (C) In a press conference on 16 August, Tsvangirai made no secret of his dissatisfaction with the deal proposed to him, saying the two sides remain unable to agree on how power would be divided between him and Mugabe. According to the Associated Press which claims to have obtained a copy of Tsvangirai's talking points to SADC members, Tsvangirai and Mugabe agreed to become prime minister and president respectively. However, Tsvangirai envisions that the prime minister must chair the cabinet and be responsible for the

formulation, execution, and administration of government business, including appointing and dismissing his ministers. Tsvangirai also allegedly proposed that the president have no power to veto laws, but can remain commander in chief of defense forces provided he acts on advice of prime minister. In the end, Tsvangirai told the press that the current deal on the table does not give him enough executive power to run the government effectively and that he would prefer no deal rather than a bad one. Press reports also note that the MDC has asked for a clause stating that if one of the parties pulled out of the government of national unity, elections would be held within 90 days.

SADC FREE TRADE AREA "LAUNCHED"

¶ 17. (C) Twelve SADC nations set up a free trade area (FTA) in an effort to bolster regional trade and economic integration for a market of 247 million people and an economy worth more than \$430 billion. The bloc includes Botswana, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe. Angola, Seychelles, and Democratic Republic of Congo have yet to sign the agreement. According to SADC's executive secretary, Tomas Salomao, the FTA required a lot of compromise to be made over a number of sensitive issues, including requiring member states to relinquish some of their sovereignty. As of January 2008, duties on 85 percent of their goods had been abolished, meeting WTO's definition of a free trade area. The remaining 15 percent of trade shall be liberalized by ¶ 2012. All remaining tariffs are due to be scrapped by 2012, at which time a customs union will be in place. They also plan to have a monetary union by 2016, and a single common currency by 2018. Press reports note that SAG officials have already started meeting today to find ways of addressing trade barriers, including lifting all visa requirements which are said to hinder regional integration.

¶ 18. (C) Mbeki hailed the launch as a milestone, saying regional economic cooperation and integration gives the region's countries the opportunity to pool their limited resources and build an economic base to address challenges of economic growth and development. However, numerous speakers pointed out the challenges facing a FTA. Salomao counted low productivity, low capacity, high unemployment levels, and low volumes of trade within SADC, noting 90 percent of exports consist of unprocessed goods, including minerals and agricultural products, as weak spots. He also said that SADC's share of world trade is only one percent. Even Mbeki

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also pointed out that trade liberalization will be difficult as some of its member states have signed separate trade deals (economic partnership agreements or EPAs) with the EU. In his final closing, he said that EPA will have a profound -- even limiting -- impact on the process of deepening integration at the regional level. (COMMENT: Mbeki noted that in April 2000, SADC decided to have a free trade zone by 2008, making the "launch" appear more symbolic than real. END NOTE)

COMMENT

¶ 19. (C) Despite Mbeki's claim that the summit was a success, media and international and diplomatic observers left the summit palpably disappointed. For some reason, it was commonly thought among international observers that a conclusion would have to be reached before Mbeki took over as SADC Chair since Mbeki "could" not be both Chair and report to himself. That problem seems solved, with Mbeki reporting his progress to the SADC Troika. Tsvangirai, however, must be even more disappointed. After briefing SADC members on

the current state of play on Friday, Tsvangirai seemed optimistic on Saturday, implying he had been encouraged. However, in retrospect, SADC's acceptance of Mugabe should not have come at a surprise given past SADC summits and more recently, the AU summit in Sharm-el-Shaik, where Mugabe also was received as President.

¶110. (C) Tsvangirai is obviously under tremendous pressure from SADC members to cave. The longer Tsvangirai holds out, the higher the risk he will be seen (if not already) within SADC as the spoiler. Mbeki's final statements to the press hint at this as they seem more directed at pressuring Tsvangirai to sign the last outstanding agreements -- as if they were insignificant -- rather than encouraging Mugabe to cede authority. On a larger scale, this summit more than any other shows that SADC members -- save Botswana and Zambia -- will stick together in the face of external pressure.

BOST